G R S App F IX 4]

Previous References

ML 127-18-2 (M-L)

Later References

ML 88-43-5045-1

194 2 -

File No 12-42

Serial Nos 10, 11, 12

GENERAL AND REVENUE SECRETARIAT

Serial Nos two

Part B for Jan 43

SUBJECT

re allowing a discount of 3 1/2% on all cash payments in respect of sales sold by the Trust Boards, Mysore

To,

The chairman, C & T Bd, Mysore

L7325 dt 28/1/43

Rejects the proposal

From the Chairman C&I Bd Mysore
No B3 C743/42-43 dt 17-12-42
forwards for sanction a copy of the resolution of the Board dated the 25th Nov 42 to the effect that a discount of 3 1/8 / on all cash payments and also on instalments due but paid in full in respect of sites or Model houses sold by the Trust Board may be allowed

The rules for the sale of building sites are set forth in GO No L 6055-8/ml 27-12-22 & 31-12-1918

The necessity for allowing a discount of 3 1/8 per cent on all cash payments made in respect of the sites or Model Houses has been stated by the Chairman

3 By allowing this concession the purchasers of sites will be induced to pay up the full amount in view of the advantages they get but it may also be stated that the Board will have to lose to that extent

4 The Revenue aspect may perhaps be considered

Submit for orders

KAS 5/1/43

5 The exact necessity for the proposal now made cannot be made out easily but can

[illegible] to continue the

Allowing a discount of on cash payments
& also on instalments orders booked
up in file in respect of Sites sold by the Trade Board

Continuation Sheet M(- File No / Current No of 380 Page

arrangement for a few years more
If this cannot be done, the best course
would be to levy interest at 6% p.a.
on the balance amount of site value
due from the purchasers to whom permission
is given to pay the money in instalments. No reason to allow a
discount of 3½% on cash payments -
results in loss to the Board & would
be difficult on accounting also. Ruling not
therefore be approved

6 Govt may now be consulted

Law Secy
5/1/43

Jun Secy
4/1/43

Secy
6/1/43

7 The proposal to allow some discount on the amount bid in auction, for prompt payment, is quite unusual and cannot be accepted On the other hand, interest may be charged for payments in instalments, as suggested at "A" supra

11/1/43

8 protest as suggested as far as may be allowed

Secy
12/1/43

Secy
26/1/43

Secy

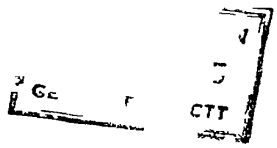
SECY LAW DEPT
1935
GOVT OF MYSORE
U.O No Fl 2953
6. JAN 43

OFFICE OF THE MINISTER
FD L S G & P H
D 13/1/43
A 5374

3804

sent with a draft letter for appl.
LWS 26/1
CS 26/1

Issued 26/1 LWS



To the Chairman, C D & Board, Mysore
No L7325 D 28-1-43
States that the proposal is quite unusual and cannot be accepted etc

CS 30/1

WD 1140—GPB—50 000—5-11-42

No B3 c 743/42-43
Encls two

Office of the Chairman
City Improvement Trust Board Mysore

Dated 17th December 1942

FROM

B S RAGHAVENDRA RAO Esq MA (Hons)
Chairman City Improvement Trust Board
MYSORE.

SECY LAW DEPT
22 DEC 1942

Ml 12-42-12

To

C Narayanaswamy Naidu, Esq , B A , B L ,
Secretary to the Government of His Highness
the Maharaja of Mysore, Law Department,
Bangalore

Sir,

Subject:- Allowing a discount of 3 1/8% on all cash payments and also on instalments due but paid up in full in respect of sites sold by the Trust Board

---

I have the honour to state that the Trust Board disposes of sites model houses etc , sometimes in auction sale and sometimes for upset price and according to the terms of sale the purchasers have to pay 1/4 of the value immediately and the balance after the sale is confirmed But quite often purchasers apply for permission to pay the same in monthl instalments not exceeding 36 as per G O No 8055-8/11 127-18-2 dated 31st December 1918 and instalments are being given no interest being charged on the amount thus collected in instalments There is therefore no -- difference between persons who pay the entire purchase money in one lump and those who take advantage of the instalment system although they could well offered to pay the full amount at once

2 The purchasers of sites who pay the entire value in one lump are in fact at a disadvantage, while in the case of those to whom instalments are given the Trust Board is put to the additional expense and - trouble of having to maintain detailed ledger accounts, watch recoveries, issue receipts and take action against defaulters

3 To avoid this and also to make the purchassers and in order to make it attractive for purchasers to pay up the entire purchase money in one lump instead of applying for instalments the matter was discussed at the Meeting of the Trust Board on the basis of a note prepared by the office, copy enclosed and the two alternatives viz , in charging interest at the rate of 6¼% per annum on the balance amount of site value due from

the purchasers to whom instalments are allowed or giving a discount to those making cash payments

4 The Board was of opinion that instead of charging interest at 6¼% on the balance amount, it would be better if a discount of 3 1/8% is allowed on all cash payments and also on balance of instalments paid up in full, and resolved accordingly (vide copy of the resolution enclosed)

5 By this system of allowing a discount of 3 /18% not only the purchasers will benifited but the Board also will be in a better position to collect -- promptly the amount due to it thereby preventing the unnecessary locking up of Trust Board Funds

6 I therefore request that the sanction of Government may kindly be obtained for the Trust Board Resolution for allowing a discount of 3 1/8% on all cash payments in respect of dues on account of sale of sites or Model Houses, including instalments due but paid up in full in advance

I have the honour to be,

Sir,

Your most obedient servant,

B. Rajeshwara Rao

Chairman

HRS

MYSORE CITY IMPROVEMENT TRUST BOARD

OFFICE NOTE PUT UP AS PER KIND INSTRUCTIONS OF THE CHAIRMAN

Subject - To charge interest at the rate of 6¼% per annum on the balance amount of site value due from the purchasers

The ~~parties~~ practice now obtaining in Trust Board is that sites wil be sold in public auction Some of the purchasers of these site pay ¼ of the bid amount on the date of auction sale and the balan after the sale of the site is confirmed But, such of those pur chasers who are unable to pay the balance after the sale is con- firmed, usually apply for permission to pay the balance due in -- monthly instalments No interest is levied on this balance amount which is being permitted to be paid in a fixed number of equal - monthly instalments not exceeding 36 as per G O No 8055-8/M1 127-18-2 dated 31st December 1918 There is thus no difference - between persons who pay the entire purchase money in one lump and those who take advantage of instalment system and pay the amount - due liesurely and after issue of several reminders Purchasers of - site who pay the entire value of site will be at a disadvantage While giving permission to some of the purchasers to pay the amount in instalments spreading over a long period of 36 months the Trust Board will have to wait for a very long time to collect the full & amount, and it will certainly be taking a heavy risk For this risk the Board had to be compensated, and, for the advantage they get, persons who get permission to pay the amount in instalments must be made to pay some interest charges It is therefore proposed to levy interest at the rate of 6¼% per annum on the balance amount of site value due from the purchasers to whom permission is given to pay in equal monthly instalments

If approved this will be placed before the next Trust Board Meeting for consideration

Yes, may be placed before the Board
Intld B R
6-11-42

Yes At present there is no inducement to pay full value and they ask for and get the concession of payment by instalments as a matter of course If interest on the outstanding balance is levied people that can afford will pay full value for the money
Intld B S R

" Copy

HRS

Chairman

MYSORE CITY IMPROVEMENT TRUST BOARD

Proceedings of the Ordinary Meeting of the Board of Trustees for the Improvement of the City of Mysore, held at the Chairman's Office on Wednesday the 25th November 1942 at 4-30 P M

Present

B S RAGHAVENDRA RAO, Esq , M A , (Hons) Chairman

1 Siddiq-ul-mulk Sadeq Z Shah, Esq ,

2 The Superintending Engineer, Mysore Circle, Mysore,

3 The Health Officer, City Municipal Council, Mysore,

4 The Rev G W Sawday, K-i-H ,

5 S Linganna, Esq ,

Absent

6 The Director of Public Health in Mysore,

7 The Vice-President, City Municipal Council, Mysore,

8 T Mariyappa, Esq , B A , LL B ,

x x x

x x

118 Note re: charging of interest at the rate of 6% per annum on the balance amount of site or house value due from the purchasers when instalments are allowed

A discount of 3 1/8% may be allowed on all cash payments and also on instalments due but paid up in full

x x

x x

(Sd) B S Raghavendra Rao
Chairman

True
B Raghavendra

Appendix F G —1]

SUBJECT

Section Mk
File No 12—42
Serial No 11

Diary No of letter replied to

No 67325

To

The Chairman, C & T Bd, Mysore

Sir

Subject - Allowing a discount of 3 1/8 % on all cash payments & also on instalments due but paid up in full in respect of Bonds sold by the Trust Board

With reference to your letter no B3 C 743/42-43 dt 17th December 1942 on the above subject, I am directed to state that the proposal to allow discount on the amount bid in auction, for prompt payment, is quite unusual and cannot be accepted. Govt however consider that the best course would be

General and Revenue Secretariat

( )

the *194*

Date of issue 28/1/43

Signed by Mr GR Rao

List of enclosures

Copied by

Examined by

WD 04161—GIB—60 000—24 10 41

On the other hand, interest

to ~~keep interest~~ at 6 1/4 percent may be charged
on the balance amount of the
purchase due from the Purchasers of sites,
to whom permission is given to pay
the site value in monthly instalments.

I am therefore to request you to be
so good as to place the
matter once again before the Board
for their consideration

I have etc

for
Asst Secy to Govt
Law Dept

Ms
-16/1